

TUCSON CITIZEN

HON. RAÚL M. GRIJALVA

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. GRIJALVA. Madam Speaker, I rise to pay tribute to the Tucson Citizen which is closing after 138 years.

The Arizona Citizen was founded in 1870, by John Wasson, a newspaper man from California, with help from Richard McCormick, the territory's governor and later territorial delegate to Congress. In 1976, Gannett Co., Inc. bought the newspaper and changed its name from the Arizona Citizen to the Tucson Citizen.

The closure of the Tucson Citizen is a great loss for the community of Southern Arizona. As the state's oldest newspaper, the Tucson Citizen has been a part of Arizona's history. During its existence, the Citizen reported on Arizona's biggest stories, among them the 1881 gunfight at the OK Corral and the 1934 arrest of bank robber John Dillinger.

The Tucson Citizen has been a place that Tucsonans turned to for local news. The stories published reflected the diverse community and the stories that impacted multiple generations.

Losing the Tucson Citizen is losing a piece of history and losing a bit of family.

For the past several decades, the Tucson Citizen has been a family affair. Many a reporter, assignment editor and publisher worked in the same newsroom as their previous relatives. This newspaper worked hard to connect our present with our past and another voice will be lost when the doors finally shut forever.

From the beginning, there have been individuals dedicated to keeping the public informed, communities educated, and discourse alive and well. Throughout its existence, the Tucson Citizen has worked to provide our community with accurate information. A desire for good journalism is vital to fostering a more enlightened public. I ask to recognize the Tucson Citizen for its contribution to Southern Arizona.

TRIBUTE TO MR. KEVIN COOK

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. SIMPSON. Madam Speaker, I rise today to pay tribute to Mr. Kevin Cook, former Clerk of the House Appropriations Subcommittee on Energy and Water Development, who recently retired after ten years of honorable service for the U.S. Congress and over thirty years of service with the federal government. During my time serving as a Member of this Subcommittee, I had the distinct pleasure of working with Mr. Cook and benefiting from his knowledge and counsel on budgetary, policy and oversight matters.

Mr. Cook devoted his career to serving in the federal government and spent almost three decades working for various federal agencies and for Congress. Mr. Cook started his career as a geologist for the U.S. Forest Service before spending over 20 years as a hydrologist, water resources planner, project

manager and physical scientist for the Army Corps of Engineers. Mr. Cook came to the House of Representatives in 1998, where he served as Science Advisor and Counsel for the House Energy and Commerce Committee and then as a Professional Staff Member, the Majority and then the Minority Clerk for the House Energy and Water Development Subcommittee on Appropriations, where I had the honor of working closely with him.

As clerk for the Subcommittee, Mr. Cook oversaw appropriations for the Department of Energy, the Civil Works programs of the Army Corps of Engineers, the Bureau of Reclamation, as well as a number of related agencies. In this role, he oversaw appropriations and conducted oversight of these programs and worked diligently to uphold the interest of the taxpayer to ensure that our taxpayer dollars were spent efficiently and effectively. I was a frequent beneficiary of his guidance and expertise, as I know were the Chairman, Ranking Member and the other members of the Subcommittee.

Madam Speaker, I believe that we owe much of our effectiveness as Members to the hard work and dedication of the staff. Kevin Cook exemplifies the highest ideals of public service and served the Committee and the federal government with honor, integrity and enthusiasm. We will miss his expertise and counsel greatly—his knowledge and understanding of the issues at hand will be difficult to match. Thank you, Kevin, for your many years of service to the federal government, the United States Congress and our nation.

RESTORE BALANCE TO TAX
TREATMENT OF CHARITABLE
VEHICLE DONATIONS**HON. WILLIAM D. DELAHUNT**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. DELAHUNT. Madam Speaker, in 2004, the Congress enacted changes in the federal tax code intended to address real and perceived abuses related to charitable donations of vehicles. Those changes, while well-intended, have had unanticipated and serious consequences. Over the last four years, charitable vehicle donations have plummeted. The steep decrease in revenue has forced many charities—in my state and across the country—to reduce services to their beneficiaries.

The adverse impact on charities is especially alarming in the context of the recession currently gripping the nation. The economic downturn has exacerbated demand for charitable services. But the changes enacted in 2004 are strangling the charitable contributions on which those services depend.

I have introduced legislation to refine those changes in ways that restore better balance to this provision of the tax code and fulfill the original intent of Congress: to promote charitable donations. Every car and truck donated to charity, moreover, would help stimulate sales of new automobiles—at a fraction of the per-transaction cost of any auto bailout proposal.

Before 2005, a taxpayer could deduct the fair market value (FMV) of vehicles donated to charity. Under Section 170 of Title 26 of the U.S. Code, a donor could claim the FMV as

determined by well-established used car pricing guides, as long as the FMV was under \$5000. However, there was concern that some taxpayers were gaming the system by claiming excessive deductions, and that there was insufficient IRS oversight to detect or police these problems.

In its FY2005 budget request, the Administration proposed reforming the rules governing vehicle donations by allowing a deduction only if the taxpayer obtained a qualified appraisal for the vehicle. However, the Congress rejected that proposal and went much further. The tax code changes included in the American Jobs Creation Act of 2004 (P.L. 108-357) limited deductions over \$500 to the actual proceeds of sale of the vehicle by the charity—regardless of appraised value. Only if the charity actually keeps and uses the car (rather than sells it for the resulting revenue) can the donor deduct its FMV.

The rules took effect for tax year 2005. Today, a taxpayer with an older used car in poor condition can call many charities nationwide to have the vehicle towed at no cost and then claim a \$500 deduction. However, a taxpayer with a newer-model car in good condition has no idea what deduction will be allowed until the vehicle is actually sold. That sale may not occur until months later, forcing the donor to roll the dice on the final deduction amount.

During congressional debate, proponents argued that the changes would not add new burdens on vehicle donors or adversely impact charitable giving. To the contrary, evidence abounds that the changes have seriously disrupted charitable giving and forced many charities to curtail services to low-income beneficiaries.

Two recent government reports have concluded that charitable vehicle donations have dropped significantly since federal tax law changed four years ago. In March 2008, a Government Accountability Office (GAO) study of 10 national charities over the two years after the law changed found that vehicle donations had dropped by 39 percent and that the resulting charitable revenues decreased by 25 percent. In May 2008, the Internal Revenue Service documented that the number of vehicles donated in 2005, the first year after the rules changed, decreased by 67 percent and that their value fell by over 80 percent.

To feel informed enough to decide whether to donate a vehicle, taxpayers need a reasonable degree of certainty about the resulting deduction. Otherwise, alternatives such as a private sale or dealer trade-in become more attractive. This is clearly not what the Congress intended.

The objective of the original 1986 car donation provision in the federal tax code was to encourage charitable donations and to help charities develop new ways to generate contributions. The 2004 amendments have undermined that goal without improving IRS enforcement. As a result, charities and their beneficiaries are suffering.

The change has affected not only the number of donations, but also the quality of donated vehicles. News articles from across the country reflect plummeting donation rates and the precipitous decline in revenue of non-profit community organizations. The news coverage itself has exacerbated the problem. Potential donors concerned about the changes are discouraged further by the perception of the new burdens associated with the amended rules.

Charities that had operated successful vehicle donation programs, either independently or through third-party fundraisers, have been hit hard. Those unable to cover overhead costs have eliminated vehicle donation programs and resolved to forego the resulting revenue stream. It appears that no charities have initiated or expanded vehicle donation programs over the past two years.

Contrary to reassurances offered during the congressional debate, the tax law changes constituted a classic example of the baby being thrown out with the bathwater. This overreach has had serious ramifications for social services provided by non-profit groups across the country. Modest tax incentives are critical to sustaining charitable contributions, including in-kind gifts. The decline in vehicle donations since 2004 could be addressed by minor legislative refinements that would also address potential abuses and buttress IRS enforcement.

Following are the text and technical analysis of my proposed legislation, which I view as a starting point for new congressional debate on this important issue.

A bill to amend the Internal Revenue Code of 1986 to promote charitable donations of qualified vehicles.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF QUALIFIED VEHICLE DONATIONS.

(a) **IN GENERAL.**—Paragraph 12 of subsection (f) of section 170 of title 26 (relating to disallowance of deduction in certain cases and special rules), as amended by this Act, is amended to read as follows:

“(12) CONTRIBUTIONS OF USED MOTOR VEHICLES, BOATS, AND AIRPLANES.—

“(A) **IN GENERAL.**—In the case of a contribution of a qualified vehicle paragraph (8) shall not apply and no deduction shall be allowed under subsection (a) for such contribution unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgement of the contribution by the donee organization that meets the requirements of subparagraph (B) and includes the acknowledgement with the taxpayer’s return of tax which includes the deduction.

“(B) **CONTENT OF ACKNOWLEDGEMENT.**—An acknowledgement meets the requirements of this subparagraph if it includes the following information:

“(i) The name and taxpayer identification number of the donor.

“(ii) The vehicle identification number or similar number.

“(iii) In the case of a qualified vehicle that is not sold by the organization

“(I) a certification of the intended use or material improvement of the vehicle and the intended duration of such use, and

“(II) a certification that the vehicle would not be transferred in exchange for money, other property, or services before completion of such use or improvement, and

“(iv) In the case of any qualified vehicle the claimed value of which does not exceed \$2500—

“(I) the fair market value of the vehicle as determined in accordance with regulations prescribed by the Secretary,

“(II) a statement that the deductible amount may not exceed the fair market value of the vehicle, and

“(III) if the organization sells the vehicle without any significant intervening use or material improvement a certification that the vehicle was sold in an arm’s length transaction between unrelated parties.

“(v) In the case of any qualified vehicle the claimed value of which exceeds \$2500—

“(I) a qualified appraisal as defined in (E) of paragraph (11) of this section,

“(II) a statement that the deductible amount may not exceed the appraised value of the vehicle, and

“(III) if the organization sells the vehicle without any significant intervening use or material improvement a certification that the vehicle was sold in an arm’s length transaction between unrelated parties.

“(C) **CONTEMPORANEOUS.**—For purposes of subparagraph (A), an acknowledgement shall be considered to be contemporaneous if the donee organization provides it within 30 days of the contribution of the qualified vehicle.

“(D) **INFORMATION TO SECRETARY.**—A donee organization required to provide an acknowledgement under this paragraph shall provide to the Secretary the information contained in the acknowledgement. Such information shall be provided at such time and in such manner as the Secretary may prescribe.

“(E) **QUALIFIED VEHICLE.**—For purposes of this paragraph, the term ‘qualified vehicle’ means any—

“(i) motor vehicle manufactured primarily for use on public streets, roads, and highways,

“(ii) boat, or

“(iii) airplane.

Such term shall not include any property which is described in section 1221(a)(1).

“(F) **REGULATIONS OR OTHER GUIDANCE.**—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this paragraph.”

(b) **PENALTY FOR FRAUDULENT ACKNOWLEDGMENTS.**—

(1) **IN GENERAL.**—Part I of subchapter B of chapter 68 (relating to assessable penalties), as amended by this Act, is amended by inserting after section 6719 the following new section:

“SEC. 6720. FRAUDULENT ACKNOWLEDGMENTS WITH RESPECT TO DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

“Any donee organization required under section 170(f)(12)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the manner, at the time, and showing the information required under section 170(f)(12), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

“(1) the product of the highest rate of tax specified in section 1 and the claimed value of the vehicle, or

“(2) \$5,000.”

(2) **CONFORMING AMENDMENT.**—The table of sections for part I of subchapter B of chapter 68, as amended by this Act, is amended by inserting after the item relating to section 6719 the following new item:

“Sec. 6720. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contributions made after December 31, 2006.

IN HONOR OF JOHN TSUKASA
TANIMURA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. FARR. Madam Speaker, I rise today to honor the passing of a great American that you may have never heard of. John Tsukasa

Tanimura, known to all as Johnny, recently passed away at the age of eighty-eight. He was a farmer's farmer. As one of the founders of the Tanimura & Antle produce company, he helped build it into the nation's largest private lettuce producer. So while you may have never heard of Johnny Tanimura, I can guarantee that every member of this House has eaten something that Johnny and his family grew. As an integral part of the Salinas Valley's agricultural and cultural fabric, he will be missed tremendously. However, the legacy that he planted and nurtured will produce a crop for generations to come.

Born November 21, 1920 in San Juan Bautista, California to Eijiro Kimoto and Yukino Tanimura, he was the sixth of 13 children in a farming family. Johnny graduated from Salinas High School and served in the Army as a guard in Germany, while his family was interned in Poston, Arizona, during World War II.

After relocating to Gilroy, Johnny along with his siblings rebuilt their living in the farming business with harvesting jobs. Through hard work, Johnny, his brothers and their families commenced a farming enterprise that grew from the seeds of love, respect and cooperation. The Tanimura family created ties with Bud Antle and his family in 1948, and the two families jointly established the formation of Tanimura & Antle in 1982, a successful and dynamic family farming enterprise in the Salinas Valley.

His dedication to the lettuce farming was tireless, as he worked throughout his life without ever retiring. He and his brothers were an ever present sight in their ubiquitous white pickup inspecting and tending to their various ranches up and down the Salinas Valley. Even when he was unable to get around without a walker or wheelchair, he had someone take him into the fields multiple days a week to make sure the farming went smoothly.

He is survived by his wife, Sakako (Sachi); daughters Jeannie, Susan and June Tanimura; grandchildren Brian Cobb and Jennifer Caro; great grandchildren Desiree and Mateo Caro, Draven Cobb, Jake Esqueda and MacKenzie Wright; brothers and sisters-in-law, George and Masaye Tanimura, and Tommy and Hisako Tanimura; sister-in-law, Fumiko Tanimura, wife of his late brother Charles (Charlie); and sisters Alice Sato, Rose Yuki and Betty Furisho.

Madam Speaker, Johnny Tanimura's life was filled with impactful accomplishments. He leaves behind a footprint on the agricultural business of the Salinas Valley through hard work and a loving and dedicated heart, and touched the lives of those around him. I am certain I speak for the entire House when I extend our heartfelt sympathy to his family, friends and colleagues.

PERSONAL EXPLANATION

HON. LYNN A. WESTMORELAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. WESTMORELAND. Madam Speaker, on May 4, 2009 I stayed at home due to an ongoing medical condition. As a result, I missed two votes. Had I been present, I would have voted the following: